

Constitutional Amendments for consideration in 2006

Prepared by House Legislative Services
Louisiana House of Representatives



September 30, 2006

CONSTITUTIONAL AMENDMENT NO. 1

Coastal and Flood Protection: Dedication of certain revenues for coastal wetlands conservation, coastal restoration, hurricane protection, and infrastructure impacted by coastal wetland loss; Act No. 69, Senate Bill 27 of 2005 First Extraordinary Session by Sen. Dupre and Rep. Alario



To change the name from the Wetlands Conservation and Restoration Fund to the Coastal Protection and Restoration Fund; to provide that the eligible federal revenues received by the state generated from Outer Continental Shelf oil and gas activity shall be credited to the Coastal Protection and Restoration Fund and used only for purposes of coastal wetlands conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses. (Amends Article VII, Sections 10(D)(2)(e), 10.2, and 10.5 (B) and (C))

The present constitution establishes the Wetlands Conservation and Restoration Fund to provide a source of revenues to conserve and restore Louisiana's vegetated wetlands. The constitution provides that a portion of the state's mineral revenues are deposited into the fund and that the money in the fund may only be appropriated for purposes consistent with the wetlands conservation and restoration plan developed by the Wetlands Conservation and Restoration Authority.

The proposed constitutional amendment changes the name of the fund to the Coastal Protection and Restoration Fund and establishes the fund to provide a source of revenues for the development and implementation of a program to protect and restore Louisiana's coastal areas. Mineral revenues in the fund may only be appropriated consistent with the coastal protection plan developed by the Coastal Protection and Restoration Authority.

The constitutional amendment does not change the current fund's sources of revenue, but adds as a revenue source the federal revenues that are received by the state generated from Outer Continental

Shelf oil and gas activity and eligible, as provided by federal law, to be used for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetlands losses.

This constitutional amendment superceded another proposed constitutional amendment which was passed in the 2005 Regular Session and would have provided that the first \$600 million of Outer Continental Shelf revenues go into the fund.

For oil and gas produced between three miles and six miles off Louisiana's shore, the state gets 27% of the federal government's share. This is the "8(g)" money which is dedicated in the constitution for education. Beyond six miles, the state gets no royalties.



CONSTITUTIONAL AMENDMENT NO. 2

Coastal and Flood Protection: Dedicates a portion of proceeds from tobacco settlement securitization to coastal restoration; Act No. 854, Senate Bill 229 of 2006 Regular Session by Sen. Dardenne



Requires twenty percent of the proceeds of tobacco securitization to be deposited in the Coastal Protection and Restoration Fund, with a portion to be used for barrier island stabilization and preservation, and repeals the Louisiana Coastal Restoration Fund. (Adds Article VII, Section 10.2(F); Repeals Article VII, Section 10.11)

In 1998, Louisiana and forty-five other states entered into a settlement agreement with several tobacco manufacturers for reimbursement of costs expended on tobacco-related health care. The state's original portion of the \$246 billion settlement was projected to be approximately \$4.6 billion paid in 25 annual payments of approximately \$180 million based on a number of variables, including domestic cigarette consumption. In order to provide immediate cash and to eliminate or reduce the risk of tardy, reduced or canceled annual payments, several states have sold all or part of their annual payments from the settlement agreement in exchange for a lump-sum payment. This is what is known as "tobacco securitization." In 2001, the state of Louisiana sold 60% of its portion of the tobacco settlement and dedicated the proceeds to healthcare, education and funding the TOPS program.

This proposed constitutional amendment requires 20% of any tobacco securitization occurring after July 1, 2006 to be dedicated and used for coastal protection and restoration. The constitutional amendment also authorizes the legislature to appropriate up to 20% of the portion of tobacco securitization proceeds dedicated to coastal protection to the Barrier Island Stabilization and Preservation Fund.

This constitutional amendment also repeals the Louisiana Coastal Restoration Fund, which was to be funded with up to 20% of the proceeds of any tobacco securitization occurring after July 1, 2003, to provide matching funds for any federal appropriation for coastal restoration. There has not been a tobacco securitization since July 1, 2003, and the balance in the Louisiana Coastal Restoration Fund is \$0.00.



CONSTITUTIONAL AMENDMENT NO. 3

Coastal and Flood Protection: Authorizes creation of regional flood protection authorities; provides for governance of levee districts; provides for taxing authorities; [Act No. 43, Senate Bill 9 of 2006 First Extraordinary Session](#) by Sen. Boasso



To authorize the legislature to establish regional flood protection authorities and provide for its governing authority, powers, duties, and functions, for the governing authority of levee districts within the territorial jurisdiction of the regional authority, and authorizing ad valorem taxes subject to voter approval. (Amends Article VI, Sections 38(A)(1) and 39; Adds Article VI, Section 38.1)

The adoption of this constitutional amendment would authorize the legislature to create regional flood protection authorities in the coastal zone of Louisiana. Each such authority and all of the individual levee districts within its jurisdiction would be governed by a single board, which would be responsible for levee construction and maintenance and flood protection.

In addition to existing authority to levy ad valorem taxes within each levee district, the governing board would be authorized to levy an ad valorem tax throughout the jurisdiction of the flood authority if the tax were approved by a majority of those voting in each parish within the authority.

Additionally, this constitutional amendment would authorize the annual appropriation of up to \$500,000 from the Coastal Protection and Restoration Fund to regional flood protection authorities.

Presently, levee districts may levy up to five mills (except the Orleans Levee District which is capped at two and one-half mills) of ad valorem taxes without voter approval and requires voter approval for any additional taxes. The proposed constitutional amendment would require voter approval of any taxes levied by a levee district that is created after Jan. 1, 2006.



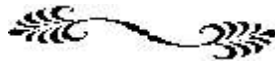
CONSTITUTIONAL AMENDMENT NO. 4

Coastal and Flood Protection: Provides relative to the compensation paid for the taking of certain property for hurricane and flood protection; Act No. 853, Senate Bill 27 of the 2006 Regular Session by Sen. Dupre and Rep. Pitre



To provide that compensation paid for the taking of, or loss or damage to, property rights affected by the construction, enlargement, improvement, or modification of hurricane protection projects, including mitigation related thereto, shall be limited to the compensation required by the Fifth Amendment of the United States Constitution; to provide an exception for the taking of buildings or structures destroyed or damaged by an event for which a presidential declaration of major disaster or emergency was issued, if the taking occurs within three years of such event; and to authorize the legislature by law to provide procedures and definitions for these requirements. (Amends Article VI, Section 42(A); Adds Article I, Section 4(G))

This proposed constitutional amendment would limit compensation paid for the taking of property for hurricane protection projects (levees, etc.) to the compensation required by the Fifth Amendment of the Constitution of the United States of America (fair market value). The limit specifically would *not* apply to the taking of property that was damaged by an event for which a presidential declaration of major disaster or emergency was issued (e.g. Hurricanes Katrina and Rita) if the taking occurs within three years of the event.



CONSTITUTIONAL AMENDMENT NO. 5

Expropriation or Eminent Domain: Prohibits expropriation of property by the state or political subdivision for certain use; specifies "public purpose" and "just compensation"; provides exceptions; Act No. 851, Senate Bill 1 of 2006 Regular Session by Sen. McPherson and Rep. Bruneau



To prohibit the expropriation of property by the state or a political subdivision of the state for predominant use by or transfer to a private person or entity under certain circumstances; to define "public purpose" relative to the expropriation of property; to provide exceptions for the operation of public ports and airports and for the expropriation of property for industrial development purposes; and to provide for items included in just compensation to be paid to the owner of the expropriated property. (Amends Article I, Section 4(B) and Article VI, Section 21(A); Adds Article VI, Section 21(D))

The present constitution prohibits the expropriation of property by the state or its political subdivisions except for public purposes and with just compensation paid to the owner or into court for his benefit. Prohibits the expropriation of property by any private entity authorized by law to expropriate, except for a public and necessary purpose and with just compensation paid to the owner; in such proceedings, whether the purpose is public and necessary shall be a judicial question.

The proposed constitutional amendment retains existing provisions and provides that, except as provided in Art. VI, §21 (purposes of industrial development, operation of public ports, and pollution control facilities), property shall not be taken or damaged by the state or its political subdivisions: (a) for predominant use by any private person or entity; or (b) for transfer of ownership to any private person or entity. The amendment specifically excludes a "bona fide homestead" from expropriation under Art. VI, §21.

The proposed constitutional amendment also limits "public purpose" and provides that neither economic development, enhancement of tax revenue, or any incidental benefit to the public shall be considered in determining whether the taking or damaging of property is for a public purpose pursuant to Arts. I, §4 (B)(1) and VI, §23.

Additionally, the amendment provides that the "full extent of loss" for purposes of determining just compensation shall include, but not be limited to, the appraised value of the property and all costs of relocation, inconvenience, and any other damages actually incurred by the owner because of the expropriation.



CONSTITUTIONAL AMENDMENT NO. 6

Expropriation or Eminent Domain: Prohibits transfer of expropriate property held for not more than 30 years to any person without first offering it back to the original property owner; provides exceptions; Act No. 859, House Bill 707 of 2006 Regular Session by Rep. Farrar



To prohibit, except in limited instances, the transfer or lease of property expropriated by the state or its political subdivisions to any person without first offering the property to the original owner; to provide that unused expropriated property declared surplus property to be first offered to the original owner prior to sale to the general public by competitive bid. (Adds Article I, Section 4(G))

The adoption of this constitutional amendment would provide that, except for lease and operations agreements for port facilities, highways, qualified transportation facilities or airports, the state or political subdivision shall not sell or lease property which has been expropriated and held for not more than 30 years without first offering the property to the original owner or his heir, or, if there is no heir, to the successor in title at the current fair market value, after which the property can only

be transferred by competitive bid open to the general public. After 30 years have passed from the date the property was expropriated, the state or political subdivision may sell or otherwise transfer the property as provided by law.

The amendment would require, within one year from the completion of the project for which the property was expropriated, the state or its political subdivision which expropriated the property shall identify all property which is not necessary for the stated public purpose of the project and declare it as surplus.

Additionally, requires that all expropriated property identified as surplus property be offered for sale to the original owner or his heir, or if there is no heir, to the successor in title at the current fair market value within two years after completion of the project. If the original owner, heir, or successor in title refuses or fails to purchase the surplus property within three years from completion of the project, the surplus property may then be offered for sale to the general public by competitive bid.

The amendment also provides that one year after the completion of the project for which property was expropriated, the original owner or his heir, or, if there is no heir, the successor in title may petition the state or political subdivision which expropriated the property to have all or any portion of his property declared surplus. If the state or political subdivision refuses or fails to identify all or any portion of the expropriated property as surplus, the original owner or the successor in title may petition any court of competent jurisdiction to have the property declared surplus.



CONSTITUTIONAL AMENDMENT NO. 7

Investments: Authorizes a portion of the medicaid trust fund for the elderly to be invested in equities; Act No. 857, House Bill 406 of 2006 Regular Session by Rep. Daniel



To authorize the investment in equities of up to thirty-five percent of the Medicaid Trust Fund for the Elderly. (Amends Article VII, Section 14(B))

The present constitution prohibits the purchase by the state of stock of a corporation or association or any private enterprise, unless the purchase of stock is specifically authorized in the constitution.

The proposed constitutional amendment would authorize up to 35% of the Medicaid Trust Fund for the Elderly be invested in equities. The Medicaid Trust Fund for the Elderly consists of monies received as the result of an intergovernmental transfer program. Monies in the Medicaid Trust Fund for the Elderly may be used as the source of state matching funds for Medicaid funds to make

enhanced payments to local government-owned health care facilities and for certain Medicaid reimbursement for nursing homes.

A similar constitutional amendment authorizing up to 35% of the Medicaid Trust Fund for the Elderly to be invested in stocks was submitted to the electors of the state at the statewide election held November 5, 2002, and was rejected.



CONSTITUTIONAL AMENDMENT NO. 8

Homestead Exemption: Continues the homestead exemption and the special assessment level for property damaged and made uninhabitable by natural disaster; [Act No. 70, House Bill 34](#) of the 2005 First Extraordinary Session by Rep. Alario

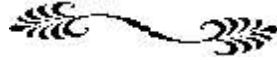


To authorize the continuation of the homestead exemption and the special assessment level where the homestead has been destroyed or is uninhabitable due to a declared disaster or emergency. (Adds Article VII, Sections 18(G)(5) and 20(A)(10))

This proposed constitutional amendment would provide that any homestead receiving the homestead exemption that is damaged or destroyed during a gubernatorially declared disaster or emergency whose owner is unable to occupy the homestead on or before December 31 of a calendar year due to such damage or destruction, shall be entitled to claim and keep the homestead exemption by filing an annual affidavit of intent to return and reoccupy the homestead within five years from December 31st of the year following the disaster with the assessor prior to December 31 of the year in which the exemption is claimed.

This proposed constitutional amendment would also provide that any owner entitled to the special assessment level who is unable to occupy the homestead on or before December 31st of a calendar year due to damage or destruction of the homestead caused by a gubernatorially declared disaster or emergency shall be entitled to keep the special assessment level of the homestead prior to its damage or destruction on the repaired or rebuilt homestead provided the repaired or rebuilt homestead is reoccupied by the owner within five years from December 31st of the year following the disaster. The assessed value of the land and buildings on which the homestead was located prior to its damage shall not be increased above its assessed value immediately prior to the damage or destruction.

Not more than one homestead exemption shall extend or apply to any person in the state and if the property owner receives another homestead exemption during the same five-year period, the damaged or destroyed property shall not be entitled to the special assessment level. The owner must also maintain the homestead exemption in order to qualify for the special assessment level.



CONSTITUTIONAL AMENDMENT NO. 9

Unfunded School Mandates: Provides that any law increasing school system's expenditures becomes effective only if the legislature provides funding; [Act No. 855, Senate Bill 296 of 2006 Regular Session](#) by Sen. Quinn



To provide that no law, unless enacted by two-thirds of the elected members of each house of the legislature, requiring increased expenditures for any purpose shall be applicable to any city, parish, or other local public school board until approved by school board resolution or until, as long as, the legislature appropriates funds to the school board for the purpose and only to the extent and amount of such funds or until a law provides for a local source of revenue to the school board for the purpose and the school board is authorized to levy and collect such revenue and only to the extent and amount of such revenue; and to provide for exceptions to such prohibitions on increasing the financial burden of city, parish, and other local public school boards. (Amends Article VI, Section 14)

This proposed constitutional amendment provides that any law requiring increased expenditures for a local public school system will become effective only as long as the legislature appropriates funds to pay such costs or until a law provides for a local source of revenue to pay such costs. It excepts the minimum foundation program (MFP) formula and a bill or resolution approving the MFP formula, a bill or resolution passed by 2/3 vote of the legislature, and any law:

- (1) Requested by the school board.
- (2) Defining a new crime or amending an existing crime.
- (3) Effective prior to adoption of the amendment.
- (4) Enacted to comply with a federal mandate.
- (5) Having insignificant fiscal impact on the affected school system.
- (6) Relative to the state school and district accountability system.



CONSTITUTIONAL AMENDMENT NO. 10

Investments: Authorizes certain endowed funds of colleges and universities to be invested in stocks; Act No. 856, House Bill 345 of 2006 Regular Session by Rep. Cazayoux



To authorize the investment in stocks of up to thirty-five percent of the state-funded permanently endowed funds of public or private colleges and universities. (Amends Article VII, Section 14(B))

The present constitution prohibits the purchase by the state of stock of a corporation or association or any private enterprise, unless the purchase of stock is specifically authorized in the constitution.

The proposed constitutional amendment would permit up to 35% of state-funded permanently endowed funds of a public or private college or university to be invested in stocks. State-funded permanently endowed funds would include state matching grants from funds allocated for the Higher Education Louisiana Partnership Program.

A constitutional amendment authorizing institutions of higher education or their management boards to invest in stocks up to 50% of certain funds received from gifts, grants, endowments, and other funds was submitted to the electors of the state at the statewide election held November 5, 2002, and was rejected.



CONSTITUTIONAL AMENDMENT NO. 11

Homestead Exemption: Extends the homestead exemption to property placed in revocable trusts; Act No. 852, House Bill 389 of 2006 Regular Session by Rep. Triche



To extend the homestead exemption to property owned by a revocable trust, in addition to the existing application to property owned by an irrevocable trust. (Amends Article VII, Section 20(A)(3) and (5))

The present constitution provides that the homestead exemption shall extend only to a natural person or persons and to an irrevocable trust when the principal beneficiary or beneficiaries of the trust are the settlor or settlors of the trusts and were the immediate prior owners of the homestead, and the homestead is occupied by a principal beneficiary.

This proposed constitutional amendment removes the restriction that the trust be irrevocable.



CONSTITUTIONAL AMENDMENT NO. 12

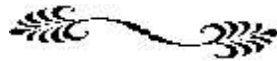
Elections: Provides for filling vacancies in office of Lt. Governor and statewide elected officials by election, if unexpired term exceeds a year; [Act No. 858, House Bill 716 of 2006 Regular Session](#) by Rep. Beard



To provide for the filling of vacancies in the lieutenant governor's office and other statewide elective offices; to provide that if more than one year remains in the term, the person nominated by the governor and confirmed by the legislature to serve as lieutenant governor or the first assistant in other statewide elected offices, shall fill the vacancy only until the office can be filled at the next regular statewide or congressional election or until the governor is required to call a special election. (Amends Article IV, Sections 15 and 16)

The proposed amendment requires that a vacancy in the office of lieutenant governor and other statewide elective offices (secretary of state, attorney general, state treasurer, commissioner of agriculture and forestry, commissioner of insurance) be filled by election, if the unexpired term is more than one year. The proposal also requires, if a congressional or statewide election is not scheduled within one year of the vacancy, that the governor call a special election for the purpose.

This changes the present constitutional which provides for filling a vacancy in the office of lieutenant governor by appointment by the governor, subject to confirmation by both houses of the legislature. For a vacancy in any other statewide elective office (except governor or lieutenant governor), the present constitution provides that the office is filled by the officer's first assistant. When the unexpired term is greater than a year, a person shall be elected to fill the office at the next regularly scheduled congressional or statewide election and the first assistant serves only until such person takes office. The amendment assures that an election to fill the office of a statewide elected official (except governor) take place within a year by requiring the governor to call an election when one is not regularly scheduled within a year.



CONSTITUTIONAL AMENDMENT NO. 13

Elections: Provides for Qualifications of Office for Judges; Act No. 860, House Bill 13 of 2006
Regular Session by Rep. Greene



To provide that a person shall have been admitted to the practice of law for ten years preceding election to the supreme court or a court of appeals and for eight years preceding election to a district court, family court, parish court, or court having solely juvenile jurisdiction; and to decrease the requirement that a person be domiciled in the respective district, circuit, or parish from two years to one year preceding election. Effective January 1, 2008, and applicable to any person who is elected to the office of judge on or after January 1, 2008. (Amends Article V, Section 24)

The present constitution requires that a judge of the supreme court, a court of appeals, district court, family court, parish court, or court having solely juvenile jurisdiction must have been admitted to the practice of law in this state for at least **five years** prior to his election and that the person must have been domiciled in his respective district, circuit, or parish for **two years** preceding his election.

The proposed constitutional amendment provides that a person elected on and after January 1, 2008, must have been domiciled in his respective district, circuit, or parish for **one year** preceding his election and (1) as a judge of the supreme court or a court of appeals, he must have been admitted to the practice of law for at least **ten** years preceding his election or (2) as a judge of a district, family, parish, or court having solely juvenile jurisdiction, he must have been admitted to the practice of law in this state for at least **eight** years preceding his election.



Constitutional Amendments for consideration in 2006

Prepared by House Legislative Services
Louisiana House of Representatives

November 7, 2006



CONSTITUTIONAL AMENDMENT NO. 1

Taxes: Special homestead assessment for certain military personnel and disabled persons; Act No. 511, Senate Bill 89 of the 2005 Regular Session by Sen. Nevers



To extend the special assessment level to homesteads owned and occupied by any person with a service-connected disability rating of fifty percent or more and by certain members of the armed forces of the United States or members of the Louisiana National Guard killed or missing in action or who were prisoners of war, and to any person designated as permanently totally disabled, subject to other conditions and requirements provided under the present constitution, and to require annual certification of eligibility by persons under sixty-five years of age who have qualified and received the special assessment level. (Amends Article VII, Section 18(G)(1)(a)(i) and (iii) and (2)(a); Adds Article VII, Section 18(G)(1)(a)(iv))

The present constitution grants a "special assessment level" to the homesteads of people aged sixty-five years or older who meet certain income limits and who apply for the special assessment level. The "special assessment level" prevents an increase in the assessed value of the homestead by providing that the assessment of the homestead cannot be increased above its total assessment for the first year that the owner qualifies for and receives the special assessment level. The millage rate is not subject to the limitation.

A person, including their spouse, is prohibited from receiving the special assessment level if such person's adjusted gross income, as reported in the federal tax return for the year prior to the application for the special assessment, exceeds \$50,000 adjusted annually by the Consumer Price Index. For the 2005 tax year, the adjusted gross income was \$56,744.

The proposed constitutional amendment extends the special assessment level to the following persons if the other requirements in the constitution are also met:

1. Persons who have a service-connected disability rating of 50% or more by the U.S. Department of Veterans Affairs.
2. Members of the U.S. armed forces or the Louisiana National Guard who owned or last occupied such property who are killed in action, or who are missing in action or are a prisoner of war for a period exceeding 90 days.
3. Any person permanently totally disabled as determined by a final non-appealable judgment of a court or as certified by a state or federal administrative agency charged with the responsibility for making determinations regarding disability.

The proposed constitutional amendment requires annual certification of eligibility by persons under sixty-five years of age, except for eligible surviving spouses of those 65 and over, who have qualified and received the special assessment level. The proposed amendment provides that the "special assessment level" remains on the homestead as long as:

1. The owner who has a service-connected disability of 50% or more, or that owner's surviving spouse who is 45 years of age or older or who has minor children, remains the owner of the property.
2. The spouse of the owner who is killed in action remains the owner of the property.
3. The first day of the tax year following the tax year in which an owner who was missing in action or was a prisoner of war for a period exceeding 90 days is no longer missing in action or a prisoner of war.

The "special assessment level" remains on the homestead even if the ownership interest of the surviving spouse of any of the above (including those 65 and over), or the spouse of a soldier missing in action, is an interest in usufruct. The proposed amendment authorizes an owner's spouse or "other legally qualified representative" to apply for the "special assessment level" for an eligible owner.



CONSTITUTIONAL AMENDMENT NO. 2

Taxes: Increases amount of severance tax parishes receive; [Act No. 864, House Bill 714 of the 2006 Regular Session](#) by Rep. Gallot



To increase the maximum amount of the severance tax imposed and collected by the state on natural resources, other than sulphur, lignite, and timber, which is remitted to the parish governing authority where the severance occurs from seven hundred fifty thousand dollars to eight hundred fifty thousand dollars effective July 1, 2007, and provides that this maximum amount be increased to reflect the increase in the Consumer Price Index beginning July 1, 2008. (Amends Article VII, Section 4(D))

The constitution presently provides for the levy of a tax on natural resources severed from the soil or water to be paid by the owners thereof at the time of severance. The constitution further provides for the distribution of a portion of the severance taxes levied and imposed by the state to each parish in which the severance or production occurs, as follows:

- 1/3 of the sulphur severance tax, not to exceed \$100,000.
- 1/3 of the lignite severance tax, not to exceed \$100,000.
- 3/4 of the timber severance tax.
- 1/5 of the severance tax on all natural resources, other than sulphur, lignite, or timber, not to exceed \$750,000.

The proposed constitutional amendment increases the maximum allocation per parish of severance taxes for natural resources other than sulphur, lignite, or timber to \$850,000 effective July 1, 2007.

The proposed constitutional amendment also provides that the maximum allocation shall be increased each July 1, beginning in 2008, by an amount equal to the average annual increase in the Consumer Price Index for all urban consumers, as published by the U.S. Department of Labor, for the previous calendar year, as calculated and adopted by the Revenue Estimating Conference.



CONSTITUTIONAL AMENDMENT NO. 3

Taxes: Exempts medical equipment leased to small rural hospitals from ad valorem taxation;
Act No. 510, Senate Bill 32 of the 2005 Regular Session by Sen. Adley



To exempt from ad valorem property tax medical equipment leased for a term exceeding five years to a nonprofit corporation or association which owns or operates a small, rural hospital and if the equipment is used solely for health care purposes at the hospital; to provide that "small, rural hospital" shall mean a hospital which meets all of the following criteria: (1) It has less than fifty Medicare-licensed acute care beds. (2) It is located in a municipality with a population of less than ten thousand which has been classified as an area with a shortage of health manpower by the United States Health Service. (Amends Article VII, Section 21(B)(1)(a))

This constitutional amendment exempts from ad valorem property tax medical equipment leased for a term exceeding five years to a nonprofit corporation or association which owns or operates a small, rural hospital and which uses the equipment solely for health care purposes at the hospital, provided that the property shall be exempt only during the term of the lease to the corporation or association.

"Small rural hospital" shall mean a hospital which (1) has less than fifty Medicare-licensed acute care beds; and (2) is located in a municipality with a population of less than 10,000 persons which has been classified as an area with a shortage of health manpower by the U. S. Health Service. Under the current Constitution, medical equipment owned by a nonprofit hospital is exempt from ad valorem taxation.

If approved, this constitutional amendment is likely to affect only a very few hospitals in the state. According to information from the Department of Health and Hospitals to the Legislative Fiscal Office, three hospitals may qualify to use this exemption. Equipment likely to be leased to the types of hospitals that might be affected by this exemption includes fetal monitors, bone densitometers, CT scanners and lab monitors, ranging in price from \$82,000 to \$1.8 million.



CONSTITUTIONAL AMENDMENT NO. 4

Taxes: Exempts motor vehicles from municipal ad valorem tax; [Act No. 512, House Bill 187 of 2005 Regular Session](#) by Rep. Arnold



Exempts motor vehicles from municipal ad valorem taxes and removes language that authorizes a municipal governing authority or a district thereof to impose ad valorem taxes on motor vehicles. (Amends Article VII, Section 21(E))

This proposed constitutional amendment would exempt motor vehicles from municipal ad valorem taxes. The proposed amendment also removes the language from the constitution which authorizes a municipal governing authority, or a district created by it, to impose ad valorem taxes on motor vehicles.

The constitution currently exempts motor vehicles used on the public highways of the state from state, parish, and special ad valorem taxes. The constitution prohibits extending this exemption to taxes levied by a municipal governing authority or a district created by the municipal governing authority, unless provided for by ordinance or resolution of the municipal governing authority.

The only municipality levying an ad valorem tax on motor vehicles is the City of New Orleans.



CONSTITUTIONAL AMENDMENT NO. 5

Taxes: Exempts consigned art from ad valorem taxation; [Act No. 509, Senate Bill 200 of the 2005 Regular Session](#) by Sen. Bajoie and Rep. K. Carter



To exempt consigned art from ad valorem property tax; that is, all artworks such as sculptures, glass works, paintings, drawings, signed and numbered posters, photographs, mixed media, collages, or any other item which would be considered as the material result of a creative endeavor. (Effective January 1, 2007) (Adds Const. Art. VII, Sec. 21(C)(19))

This proposed constitutional amendment exempts from ad valorem property taxation all artwork which is listed as a consignment article by an art dealer. "Artworks" includes sculptures, glass works, paintings, drawings, signed and numbered posters, photographs, mixed media, collages, or any other item which would be considered as the material result of a creative endeavor.

Proponents argue that it is difficult to determine the value of artworks, especially those artworks which have never been sold. No other state imposes an ad valorem tax on unsold artistic works. In Louisiana, property taxes have been collected from art on consignment only in parts of Orleans Parish. Proponents believe that the taxation of artworks on consignment would have a negative impact on the art community and on art galleries throughout the state, even though the majority of artwork on consignment is located in New Orleans.



CONSTITUTIONAL AMENDMENT NO. 6

Judges: Authorizes the legislature to create new judgeships within a district court with limited or specialized subject matter jurisdiction; [Act No. 862, House Bill 206 of 2006 Regular Session](#) by Rep. R. Carter



To authorize the legislature to enact laws establishing new judgeships of district courts as new divisions having limited or specialized jurisdiction within the territorial jurisdiction of the district court and subject matter jurisdiction over family or juvenile matters as provided by law. Effective January 1, 2007. (Amends Article V, Section 15(A))

The present constitution authorizes the legislature by law to establish trial courts of limited jurisdiction with parish-wide territorial jurisdiction and subject matter jurisdiction which shall be uniform throughout the state.

The proposed constitutional amendment, effective January 1, 2007, authorizes the legislature by law to establish new judgeships for district courts as new divisions having limited or specialized jurisdiction over family or juvenile matters within the territorial jurisdiction of the district court and subject matter jurisdiction as provided by law. These new judgeships would not have general jurisdiction to hear all matters over which the district court has jurisdiction.

Several judicial district courts in the state have by rule assigned judges (divisions) to civil, criminal, juvenile, domestic relations sections, or any other section over which the district court has jurisdiction; however, notwithstanding these assignments, all judges (divisions) of the court retain general jurisdiction to hear all matters.



CONSTITUTIONAL AMENDMENT NO. 7

Assessors: Provides for a single tax assessor in Orleans Parish; Act No. 863, Senate Bill 141 of 2006 Regular Session by Sen. Duplessis and Rep. Badon



To provide for a single tax assessor in Orleans Parish to be elected at the same time as the municipal officers of New Orleans. (Amends Article VII, Section 24)

The present constitution provides for one tax assessor in every parish except for Orleans and for seven tax assessors in Orleans Parish, one to be elected from each municipal district of New Orleans. The tax assessors in Orleans Parish shall be elected at the same time as the municipal officers of New Orleans for terms of four years each.

The proposed constitutional amendment deletes the authorization for seven tax assessors in Orleans Parish and provides for a single tax assessor in every parish in the state. The Orleans tax assessor's term of office shall be four years and he shall be elected at the same time as the municipal officers of New Orleans.



CONSTITUTIONAL AMENDMENT NO. 8

Schools: Grants the Central Community School System certain school finance powers; prohibits discrimination in use of state funds for students; [Act No. 861, House Bill 48 of the 2006 Regular Session](#) by Rep. White and Sen. Fontenot



To grant the Central community school system in East Baton Rouge Parish the same authority granted parishes for purposes of Article VIII, Section 13 of the Constitution of Louisiana, including purposes related to the minimum foundation program, funding for certain school books and instructional materials, and the raising of certain local revenues for the support of elementary and secondary schools. (Amends Article VIII, Section 13(D)(1))

This proposed constitutional amendment grants to the Central community school system in East Baton Rouge Parish the same authority granted parishes for certain school finance purposes (in the same manner as that granted to the Zachary community school system and the municipalities of Baker, Monroe, and Bogalusa), including the minimum foundation program (MFP) formula, funding for school books and instructional materials, and raising certain local revenues for support of elementary and secondary schools.

It also prohibits state funds from being used to discriminate or have the effect of discriminating in providing equal educational opportunity for all students.

